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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Natural Gas and Electric Safety
Citation Programs.

Rulemaking 14-05-013
(Filed May 15, 2014)

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC
COMPANY (U39M) TO OTHER PARTIES' COMMENTS ON
JUNE 1, 2016 REPORT OF THE SAFETY AND ENFORCEMENT
DIVISION ON SELF-IDENTIFIED POTENTIAL VIOLATIONS**

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Dated: August 5, 2016

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I. INTRODUCTION

Pursuant to the June 15, 2016 Assigned Commissioner's Amended Scoping Memo and Ruling for Phase II (Amended Scoping Memo), Pacific Gas and Electric Company (PG&E) timely files these Reply Comments to Other Parties' Comments to the Report of the Safety and Enforcement Division (SED) on Self-Identified Potential Violations (SED Report or Report).¹

PG&E generally agrees with the Opening Comments filed by other parties in that it is clear parties are striving to further the Commission's goal in refining and improving the electric and gas safety citation programs, as well as providing insightful comments on SED's recommendations.

Particularly, parties appear to agree with the following recommendations made by SED:

- Utilities should not self-report potential violations already reported under other reporting requirements;^{2/}

¹ On July 15, 2016, PG&E received Opening Comments from Southwest Gas Corporation (Southwest), joint comments from Southern California Gas Company (SoCal) and San Diego Gas and Electric (SDG&E), and joint comments from Southern California Edison Company (SCE), PacifiCorp, dba Pacific Power, Bear Valley Electric Service, a division of Golden State Water Company, and Liberty Utilities (collectively, Joint Parties).

² See Report, p. 20; Joint Parties Comments, p. 3; SoCal/SDG&E Comments, p. 6; Southwest Comments, p. 2.

- The self-reporting criteria should be limited to potential violations that pose imminent danger to public safety and system reliability;^{3/}
- Both gas and electric utilities should be given thirty (30) days to report self-identified potential violations.^{4/}

PG&E requests that the Commission adopt the above recommendations agreed to by SED and the parties; these comments will focus on the remaining issues that require more vetting and clarity.

II. DISCUSSION

A. Parties' Opening Comments Regarding SED's Proposed Criteria Show That More Clarity is Needed

As stated in PG&E's Opening Comments, SED's proposed criteria are an excellent start, but they are ambiguous and overly broad.⁵ This point is further demonstrated by the majority of Opening Comments filed by other parties requesting for further clarification and refinement.⁶ For example, parties have warned that the language "could have caused" and "could have directly caused" in SED's electric proposed criteria #2 and #3 would require subjective and arbitrary judgment potentially resulting in unnecessary over reporting out of an abundance of caution.⁷

PG&E commends SoCal/SDG&E for the attempt to remedy vague and overbroad application of the electric criteria by removing the "could have caused" and "could have directly caused" language and combining the proposed criteria into one criterion.⁸

PG&E proposes to modify subsection (b) and eliminate subsection (c) and (d) of the criterion proposed by SoCal/SDG&E, on the basis that they are overly broad and in part

³ See Report, p. 20; Joint Parties Comments, p. 2; SoCal/SDG&E Comments, pp. 4-5; Southwest Comments, p. 2.

⁴ See Report, p. 24; SoCal/SDG&E Comments, pp. 1-2; Southwest Comments, p. 3.

⁵ PG&E Comments, p. 2.

⁶ See Joint Parties Comments, p. 2-4; SoCal/SDG&E Comments, p. 4-6; Southwest is the exception in this instance and appropriately only commented on the proposed criteria for gas.

⁷ See PG&E Comments, p. 7; Joint Parties Comments, p. 3; SoCal/SDG&E Comments, p. 4.

⁸ SoCal/SDG&E Comments, p. 5.

unnecessary as electric utilities already report much of this under other regulatory requirements.

Specifically, PG&E proposes the following additional edits to SoCal/SDG&E's proposed

criterion to further refine:

1. The potential violation created a condition that posed a significant, immediate safety threat to the public and/or utility staff, contractors or sub-contractors. A condition that posed "a significant, immediate safety threat" includes ones that caused any of the following:
 - a. system-wide impacts to the electric grid;
 - or
 - b. ~~unplanned power outages of over one 96 hours to over 5 percent of an electrical corporation's customers or unplanned power outages of over 24 hours to over 1,000 electrical corporation customers;~~
 - ~~c. the electrical corporation to activate its emergency response program;~~
 - ~~or~~
 - d. ~~directly caused damage to property of the utility or others estimated to exceed \$50,000.~~

The removal of the "could have caused" language is helpful, but further modification is needed because unplanned outages described in subsection (b) do not meet the significance threshold. Over the past five years, PG&E has generally had over 100 incidents per year where 100 customers experienced an outage over 24 hours. These outages would potentially result in large volumes of self-reports without rising to the level of significance intended by SED.⁹ The proposed modification to include an extended duration for unplanned outages would limit self-reporting to those that present safety risks that are "obvious, immediate, and significant to life or limb of the public..." as SED intended.¹⁰

With respect to subsection (c) about activating emergency response programs, PG&E's emergency response program has multiple levels.¹¹ Depending on the level, PG&E could activate the Emergency Operations Center (EOC), Regional Emergency Center (REC), or

⁹ Absent clarifying workshops or clarifications by this Commission, it remains ambiguous whether every broad, extended outage such as these should be considered as a "potential violation" with a "significant, immediate safety threat"

¹⁰ Report, p. 21-22, fn. 8.

¹¹ PG&E has five levels (1-Routine, 2-Elevated, 3-Serious, 4-Severe, 5-Catastrophic) of electric incidents that would trigger activation of the OEC, REC, or EOC. The EOC is activated for Level 4 and 5 events and may be activated for Level 3 events.

Operations Emergency Center (OEC). For example, minor damage to infrastructure is a Level 2 event that may trigger activation of PG&E's OEC; however it also does not meet the threshold of "a significant, immediate safety threat." PG&E does not want to inundate SED with self-reports under subsection (c) that do not meet the significance threshold. Further, Standard 6 of GO 166 already requires PG&E to notify the Commission and other relevant agencies of a major outage or other newsworthy event in a timely manner.¹² Therefore, the Commission already receives all instances of "significant, immediate safety threat" where PG&E activates its emergency response program under GO 166.

Lastly, PG&E agrees with the Joint Parties that Criterion 3 is unnecessary and should be removed because it is already addressed by the requirements of Resolution E-4184.¹³ Accordingly, PG&E proposes to strike subsection (d) in the SoCal/SDG&E proposed criterion. PG&E, however, also agrees with SoCal/SDG&E that clarity and consistency with General Order (GO) 95, Rule 18 is still needed if the Commission accepts this proposed criterion.¹⁴

B. PG&E Agrees with the Proposals of the Joint Parties and SoCal Gas/SDG&E Regarding Notification to Local Authority

The Joint Parties and SoCal/SDG&E urged the Commission to not adopt SED's recommendation to extend the local authority notification requirement to the electric citation program without first obtaining feedback from various local authorities.¹⁵ PG&E agrees that the Commission should consider the feedback of local authorities prior to adopting a requirement that could potentially negatively affect entities outside of the Commission's jurisdiction.¹⁶ The Joint Parties and SoCal/SDG&E's recommendation to obtain feedback from local authorities is a viable alternative to PG&E's proposal to delegate authority to SED to direct utilities on a case by

¹² PG&E generally treats "newsworthy events" as incidents which fall within the category of Level 3 or greater emergencies where the EOC is activated.

¹³ Joint Parties Comments, p. 3.

¹⁴ See PG&E Comments, p. 7; SoCal/SDG&E Comments, p. 5.

¹⁵ See Joint Parties Comments, p. 6 and SoCal/SDG&E Comments, p. 7.

¹⁶ Joint Parties Comments, p. 6.

case basis. Both alternatives would achieve the goal of providing local authorities with the information they want, but not confuse or burden them with notifications they do not want.

C. PG&E Agrees with the Joint Parties’ Request that the Commission Should Clarify that Compliance with Established Timeframes for Completion of Corrective Action Satisfies the “Reasonable Period” Obligation

The Joint Parties raised an important point that SED, in its Report, and PG&E, in Opening Comments, did not address. PG&E agrees with the Joint Parties that the citation program should provide clarity into how to align the citation program with the utilities’ obligation to take corrective action within a “reasonable period” as required by GO 95, Rule 18-A. Specifically, assuming no injury or significant property damage, the citation program should clarify that utilities are not subject to citation when they identify and correct conditions through their ordinary course of inspection and maintenance, in compliance with Rule 18-A.¹⁷

D. PG&E Agrees with Opening Comments Regarding Voluntary Self-Reporting and Need for Workshops If Self-Reporting Is Mandatory

All parties are in alignment that self-reporting of potential violations should be voluntary to satisfy the requirements of Senate Bill 291 and to create incentives for utilities to identify, correct, self-report, and reduce the likelihood of reoccurrence.¹⁸ In particular, the Joint Parties and SoCal/SDG&E emphasized that if the Commission favors mandatory self-reporting, clarification and more careful vetting of the self-reporting criteria is critical. PG&E agrees and urge the Commission to consider this point when making the determination.¹⁹

III. CONCLUSION

PG&E appreciates the opportunity to provide comments on such important issues of safety and compliance and look forward to continuing the collaborative efforts with the Commission,

¹⁷ Joint Parties Comments, p. 7-8.

¹⁸ See PG&E Comments, pp. 7-9; Joint Parties Comments, p. 5; SoCal/SDG&E Comments, p. 2-3; Southwest Comments, pp. 4-5.

¹⁹ PG&E supports the Proposed Schedule for Workshops in Appendix A of the Joint Parties Comments.

SED, and other parties to develop gas and electric safety enforcement programs that will improve public and employee safety.

Respectfully Submitted,

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